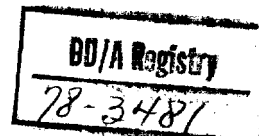


1 SEP 1978



MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM :
Acting Director of Personnel

DD/A Registry
File Personnel

STATINTL

SUBJECT : Flexible and Compressed Work Schedules

1. In response to your inquiry concerning the use of flexible and compressed work schedules in the Agency, the Office of Personnel has been following the experimental application of these concepts in other Government agencies for several years and tracking legislative efforts to establish legal grounds on which Government agencies may operate such schedules economically and efficiently.

2. In the latter regard, The Federal Employees Flexible and Compressed Work Schedules Act of 1978 (H.R. 7314) was passed by the House of Representatives on 25 May 1978. The Senate Bill (S517) (identical to H.R. 7314) was reported out of the Committee on Governmental Affairs on 21 July 1978 and out of the Committee on Human Resources on 22 August 1978. Neither Committee proposed any changes. The bill will be scheduled for vote by the entire Senate before it recesses on 7 October 1978. Upon passage of S517, the companion bill of the House of Representatives (H.R. 7314) will be sent to the President for signature. It is important to note that both bills make it permissive rather than mandatory on the part of Agency Heads to participate in a three-year flexible work hours experimentation program.

3. The major objective of the above cited alternative work schedules legislation is to permit the temporary use of flexible work hours and compressed work schedules under controlled experimental conditions without financial penalty to the Government as an employer under the premium pay laws. At present, the use of compressed workweeks such as the 4-day 40-hour schedule, and more sophisticated versions of flexitime which allow employees to choose their arrival and departure times and vary the length of a particular workday within limits set for the organization, would be prohibitively expensive for the Federal Government at large. This is because Title 5 of the U.S. Code requires premium pay rates at time and one-half after eight hours per day, and both Title 5 and the Fair Labor Standards Act require overtime pay after 40 hours in a week. The use of flexible and compressed schedules in CIA at

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present would be somewhat less costly because CIA employees at grades GS-12 and above are denied the benefits of premium pay for the first eight hours in excess of the normal 40 hour workweek. Under the proposed legislation, overtime would not be paid when an employee decides as a matter of personal preference to participate in a flexible or compressed work schedule.

4. CIA, to date, has had very limited experience with "true" flexible work schedules; i.e., those schedules with both core time bands during which employees must be present for work and flexible time bands during which employees have the option to select and/or vary starting and quitting times within the limits established by the employing agency. The schedules known to us which are being applied in the Agency are in ODDA/Information and Privacy Staff (IPS) and the Office of Logistics. The Office of Logistics program has just begun and, therefore, insufficient time has elapsed to draw conclusions. The IPS program was initiated to provide an additional recruiting incentive and to permit the staff to be operational for longer periods of time. As a result the staff has been able to expand operating hours by two hours, increase the number of applicants for IPS positions (although difficult to measure, it was felt that including flexible work schedules in the Vacancy Notice had significant influence on recruitment) and staff members responded positively to being able to have either early or late hours of uninterrupted time to work on backlogs, contemplate problem situations, etc. A few minor problems such as scheduling security checks were experienced but were overcome by cooperative efforts of staff members. Thus far, the IPS program is judged a success. It is worth noting also that employees within the experimental unit did not want to shift to a total flexible schedule but preferred a more limited one because of car pools, etc.

5. With respect to experience with compressed work schedules; i.e., an 80-hour biweekly basic work requirement which is scheduled for less than 10 work days, the Executive Director-Comptroller approved on 4 January 1972 a new provision in Hours of Work Leave and Pay that would permit the establishment of non-standard work schedules for Agency operations which are staffed on 24-hour basis, seven days a week. Two requirements must be met before such schedules can be approved; namely, they must be operationally advantageous and economically feasible and the nonovertime scheduled work hours must equal 30 in a biweekly 80-hour pay period. Since 1972 a number of nonstandard work schedules have been approved of which many involve workweeks that on a biweekly basis equal 80 hours but are compressed into less than 10 working days. These work schedules were established, however, to accomplish specific work requirements and not for the personal preference of employees. As far as we know, there have been no serious complaints from employees in these work situations. It is interesting to note that

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in her testimony on the Flexible Work Schedules legislation before the Senate Governmental Affairs Committee, Ersa Poston, a Civil Service Commissioner, indicated among other things that many workers appear to prefer to work compressed work schedules as this enables them to eliminate one day's commuting time and expense or one day's child care expense, and also have an additional day for home chores, study or recreation. Others, on the other hand, find that they are fatigued by ten-hour days, dislike commuting in the dark during winter months, cannot use public transportation, or are unable to secure child care for longer days. [] is increasingly persuaded, however, by the growing body of research and experience with alternative work schedules in the private sector and in Federal agencies that there are substantial benefits to be gained by workers as well as organizations.

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6. Flexible work schedules, then, represent new alternatives to traditional ones, and the results from many Government agencies which have introduced flexitime schedules into their organizations show many positive aspects with only a few minor problems. Some CIA activities would probably benefit while others might not. Therefore, Agency managers should be encouraged to think in terms of more flexible work schedules and to develop and implement them experimentally in place of the more traditional ones to find out which are appropriate and which aren't. We would recommend, therefore, that on approval of the enabling legislation in approximately October 1978 as referred to in paragraph 2 above, the Office of Personnel formulate, for your approval, appropriate regulations, procedures and controls under which such experimental schedule shall operate within the Agency.

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